

National Clean Diesel Campaign

Clean Diesel Programs

FY09 Clean Diesel Program - Program Overview

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National Clean Diesel Campaign

Why Clean Diesel?

- Reducing diesel emissions is one of our country's most important air quality challenges
- Diesel engines are the workhorses of the nation
 - millions of diesel engines already in use continue to emit large amounts of nitrogen oxides (NOx), particulate matter (PM) and air toxics
 - Urban, suburban and rural locations
- These emissions are linked, every year, to:
 - premature deaths
 - asthma attacks
 - lost work days
 - many other health impacts
- Clean diesel projects offer immediate public health and air quality benefits, especially important in areas of poor air quality such as nonattainment areas



What is DERA?

Legislation Re-Cap

- Authorization: Energy Policy Act of 2005
 - Diesel Emission Reduction Act (DERA)
 - Subtitle G, Sections 791-797
 - \$200 Million/year for five years
 - In 2008, \$ 49.2 Million Appropriated
 - Projected for 2009, also \$49.2 Million
 - Stimulus Package (**American Recovery & Reinvestment Act of 2009 Funding**) information separate monies
 - Allows for implementation rather than demonstration
 - Prior Clean School Bus USA funds (2003+) were “Demonstration Projects”
 - Watch EPA’s web site for more information!

www.epa.gov/cleandiesel



Current Status of Stimulus Package

American Recovery and Reinvestment Act (ARRA)

- President Obama signed Bill into Law on February 17, 2009
- \$789 billion economic stimulus package that includes
 - DERA Final Allocation
 - \$300M for DERA –
 - » National Competition and State Programs
 - 2% for EPA Administration
 - Part of criteria for grant competitions will be job retention/creation
 - Time frame will be fast!
 - » Recipients will be expected to have obligations to commit funds quickly within their projects



Four DERA ARRA Program Opportunities

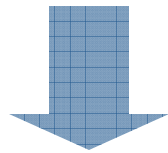
Similar to normal DERA Funding Programs

- National Competitive RFA
- SmartWay Finance RFA
- Emerging Technologies RFA
- State Grant Allocation Program



National Clean Diesel Campaign (NCDC) Program Funding Distribution

National (70%)

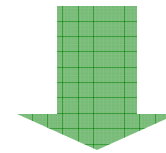


**National Clean Diesel
Funding Assistance Program**

Clean Diesel Emerging Technologies Program

SmartWay Clean Diesel Finance Program

State (30%)



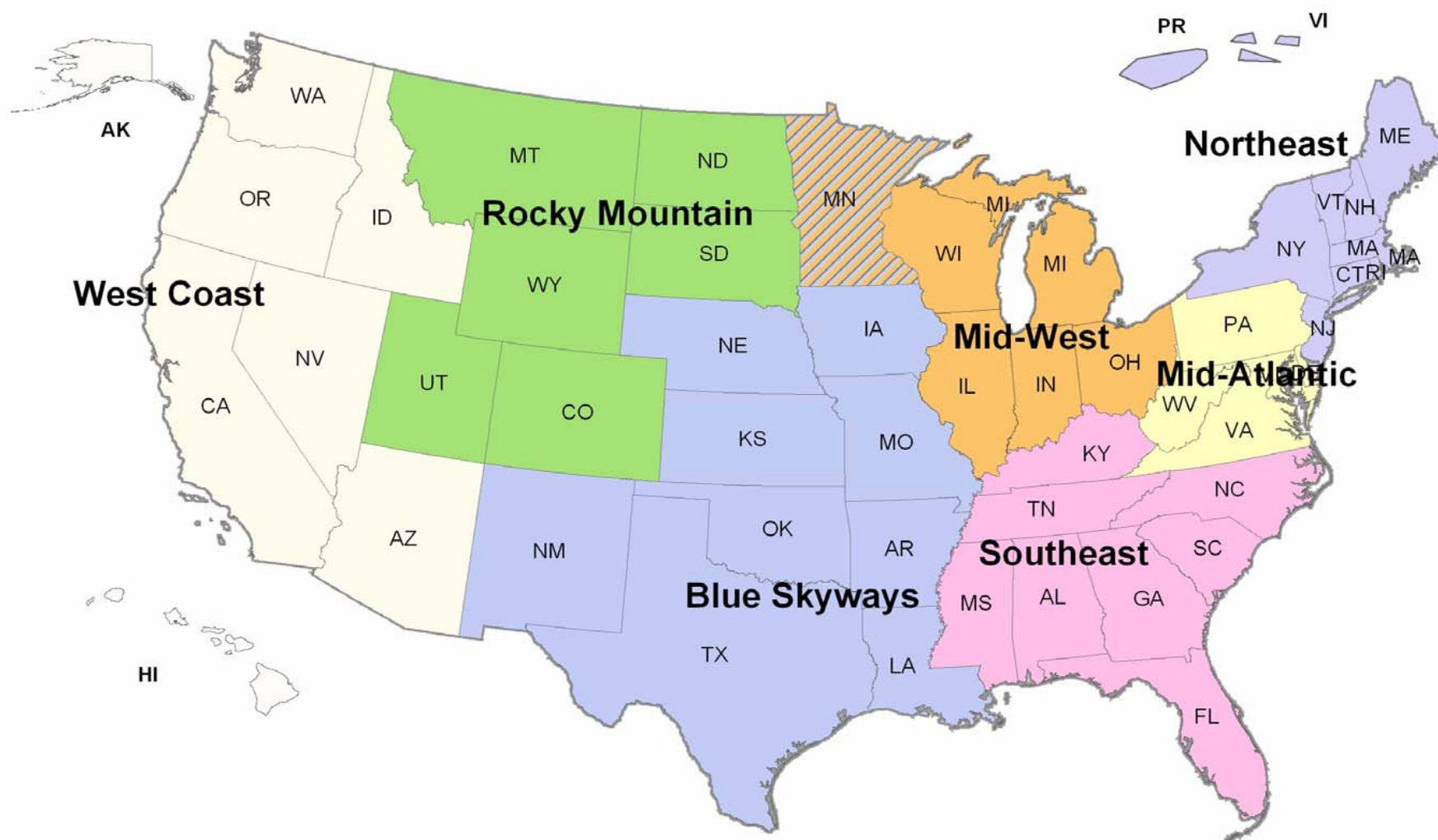
State Clean Diesel Grant Program

State Base

**Matching Bonus
(only for non-Stimulus)**



Regional Clean Diesel Collaboratives



Expectations for Ntl Funding Assistance Program for Region 5 under ARRA

- A Request for Application (RfA) under ARRA, not a Request for Proposal (RfP)
- One National RfA Competition for 7 Regional Collaboratives
 - Midwest Clean Diesel Initiative (MCDI) will have separate info for Region 5 (R5) applicants to follow
 - MCDI Possible Funding - about \$26 Million (6 states)
 - Range for RfA Request - \$500,000 to \$ 5 Million
 - Region 5/MCDI Priorities should be followed closely
 - No overall match is required (but leveraging/match is highly desired), except for specific technologies outlined in RfA (i.e., replacements, engine repowers)



Expectations for Ntl Funding Assistance Program for Region 5 under ARRA

- One National RfA Competition for 7 Regional Collaboratives (continued)
 - Very short turnaround time for application and award (RfA may only be out for 30 or 45 days)
 - Since an RfA, likely required to have many more federal forms signed and submitted with workplan and budget than with an RfP
 - National RfA Competition likely published in early March, 2009
 - Reporting after award likely to be similar to past grants, except will include jobs created/retained
 - EPA will develop guidance for applicants to use



Recent History:

FY 08 Funding and Award Overview

- National Funding Assistance Program (\$27.6M)
 - Over 230 applications requesting approx. \$144 million
 - \$5 requested for every available dollar
 - Approximately 58 grants are being awarded nationwide through EPA's seven Regional grant competitions
- Emerging Technologies (\$3.4M)
 - Nationwide RFP
 - Applicants must choose a technology from "Emerging Technologies List"
 - 14 applications came in requesting \$10 million
 - Expect to award 5-7 grants in next two months



FY 08 Funding Overview

- SmartWay Clean Diesel Finance Program (\$3.4M)
 - Innovative loan program designed to “recycle” funds
 - 3 Grants Awarded:
 - Making loans to small trucking firms for equipment to lower fuel costs and shrink their carbon footprints
- State Clean Diesel Program (\$14.8M)
 - For FY08 State Program was funded at
 - All 50 States are participating in the program
 - State grants range from approx. \$197K to \$492K (w/State match)
 - State matching funds leveraged approx \$7M in additional funding



Outlook for FY 09 Funding

- There likely will be additional funds for clean diesel projects later
- Number of competitions through EPA Regional Offices
 - 7 Regional competitions instead on 1 National
 - Likely will be an RfP from MCDI
 - Total last year was \$5 Million in \$100,000 to \$750,000 range
 - Every State plus D.C., Tribes, Territories covered
 - Same eligible entities as last year can apply
 - Non-profits (air, education, transportation)
 - Local/State/Regional/Tribal governments
- SmartWay Clean Diesel Finance Program Competition
- Emerging Technologies Program Competition
- PLUS non-competitive State Clean Diesel Grant program



Do THIS WEEK (& near future)!

Some RfAs will likely be open for short time (~30-45 days during March timeframe), so....

- Communicate with potential partners!
- Explore clean diesel projects (fleets & technologies)
 - Some RfAs will focus on larger scale projects
- Get Federal Grant application materials together now (can download from EPA's web site)
 - Register at grants.gov **IMMEDIATELY!**
 - Download all required forms ASAP
 - Get financial/grants people familiar with them
 - See EPA's Sample Proposal for FY 08
- **Get fleet information together IMMEDIATELY!**
- Watch EPA's web site for links to recovery.gov web site & open RFAs



Resources

National Clean Diesel Campaign

- www.epa.gov/cleandiesel
- State & local government tools & resources
- Diesel retrofit tech. verification list
- Idle reduction technologies
- Cost-effectiveness of retrofits
- Diesel emission quantifier (DEQ)
- Sample proposal (& in packet)
- FY 08 nationally awarded grants
- Grants.gov & recovery.gov web
 - Forms & Explanations

Midwest Clean Diesel Initiative (MCDI)

- www.epa.gov/midwestcleandiesel
- Technical expertise
- Project Officers to answer paperwork questions
- FY 08 regionally awarded grants
- Some information on Regional Priorities

Michigan Clean Diesel Initiative (MiCDI)

- Technical & Programmatic Expertise
- Knowledge of in-state available & interested partners



Conclusion

- Good luck!
- Thank you for your time and consideration.
- Visit www.epa.gov/cleandiesel or www.epa.gov/midwestcleandiesel
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